

September 6, 1994

5/003/020



Deane H. Zeller, District Manager
Bureau of Land Management
2370 South 2300 West
Salt Lake City, Utah 84119

Dear Mr. Zeller,

Myself and John Kirkham appreciated the opportunity to get together with you and other people from the B.L.M. last Friday. I believe that we have opened the door to intelligent discussions about resolving issues and problems that plague both the business community, and the government. I don't believe the world has much time left unless we deal with the issues in a timely and reasonable way, with give and take solutions that accomplish the needed results for both sides. Conflict resolution is a new emerging art form and in my opinion one that we all must learn very fast. You can depend on me and my organization to be honest, open, cooperative, progressive and people of integrity, but we will never be subservient to poorly interpreted laws and unclear ultimatums that will put our business in jeopardy.

I will briefly outline the six areas of concern that we discussed to be sure that we have a mutual understanding.

1. Your August 8 notice of noncompliance - \$13,000.00 bond required and our mining plan details.

A. We will post the bond on or before October 7 with the understanding that your notice will not establish a record of non compliance against us.

B. As stated, our objective is to try and establish a small model operation under five acres. This issue needs to be resolved on the ground and we want to be given the opportunity to restore some previously disturbed areas to accomplish that.

C. Fence along the north boundary of our claim in the canyon to remain until reviewed. I have stated emphatically in several letters, why these fences are important for our operation.

D. We agree to restore approximately 150'-200' of stream area near the old crusher where stone had fallen into the stream as a result of the previous operators activities 30 years ago. We have already accomplished a large portion of this project.

E. Our main entry gate to remain as it is on the claim boundary line. This gate and fence has already been moved once to the line per your request. It's present location is essential to the security of our working and living areas and I would not want to move it again.

F. The proposed airstrip is presently a non issue, although if we are not successful in being able to keep our operation under five acres, then we would want to consider the airstrip.

2. Your notice of 8/8, our option to appeal. Considering our areas of discussion will lead to mutually beneficial resolutions we agreed to not appeal your decision.



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3. Park Valley Hereford Association Damage.

A. We need to resolve the damage on our mining claims in the canyon and on the east hillside.

B. Full restoration of bull dozed road across the hillside on the east side of Rock Canyon, B.L.M. land. Visual impact and potential vehicle access are problems here. You and Leon agreed to working toward a solution to this problem.

C. We need to get the P.V.H.A. off of our back. They have caused a great amount of damage to our property and caused us to lose lots of time, productivity and money over the course of three years. They have always had free access to the canyon for their cattle drives, yet they are bent on causing us as much trouble as possible. This must stop immediately or we will have to resort to legal remedies.

4. Non compliance by numerous other stone quarry operators in N. Utah.

A. You agreed to diligently pursue the obvious violators that have been on going.

B. In previous correspondence I have documented much of the above and I am in the process of photo documenting the problems and identifying the areas and operators.

C. A level playing field is essential to accomplishing both of our goals.

5. Habitat destruction from over grazing by cattle, particularly in the riparian zones. This has gone on for about 100 years and the damage is severe in the Raft River range, the oldest mountain range in the Great Basin and one of the most important environmentally. The disruption caused by mining is minuscule compared to damage by livestock. Correcting those abuses should be top priority.

6. Our patent applications. As you know Glen Fuller and myself have spent large sums of money in the process and have complied to the letter. Phil Allard said that his work should be completed within the next couple of months and everyone agreed that the process should come off the back burner and be expedited as fast as possible.

Again I appreciate your willingness to open this dialog. I believe that Northern Stone Supply, Inc. is setting a prime example for good mining operations and I think that we can be a great asset to the B.L.M. in helping to accomplish their land stewardship goals.

Please let me know if you have any additional comments or ideas.

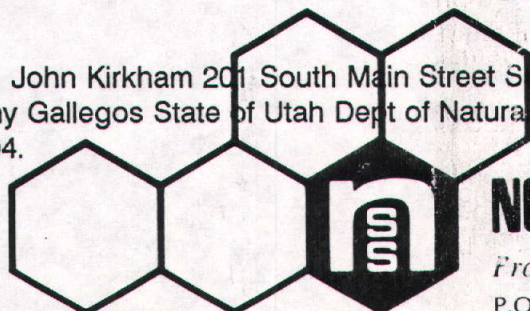
Sincerely,

Gary Mullard
Gary Mullard
President

lw

P.S. I am sending Leon Berggren another complete set of copies of my correspondence with the P.V.H.A. from 9/14/91 to present.

cc: John Kirkham 201 South Main Street Suite 1100 Salt Lake City, Utah 84111-4904, Wayne Hedeberg and Tony Gallegos State of Utah Dept of Natural Resources 3 Triad Center - suite 400 Salt Lake City, Utah 84180-1204.



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